



SPEAK OUT!

Legislative Issues Affecting
Oak Ridge and our
Business Community



May 24, 2010

Legislative Adjournment Delayed as House, Senate and Administration Volley Budget Proposals to Break Impasse

This week Senator Jim Kyle (D-Memphis) presented a budget proposal aimed to solve a budget impasse with House and Senate leaders. The proposal accepts that none of the major revenue-generating measures proposed by Gov. Phil Bredesen will be enacted because of Republican opposition. Kyle's proposal would spend about \$142 million more from the state's reserve funds than the governor wanted and reduces Bredesen's proposed 3 percent pay bonus for state employees and teachers to 2 percent. House Speaker Kent Williams said the Kyle plan meshes with plans developed in the House and could be approved by that chamber. There are still issues with the budget proposal being accepted by Senate Republicans who hold a 19-14 majority in the Senate. Senate Republicans noted there were concerns about dipping too deeply into reserves and funding of local projects. House leaders of both parties may not be far from reaching agreement on a budget but were said to be waiting for Senate compromises.

Joint Government Operations Committee Hears Why Executive Appointments Alone Do Not Work

Further testimony this week focused on a point interest groups have been making this session: executive appointments alone on regulatory boards is not good public policy for the citizens of our state. In a joint meeting of the House and Senate Government Operations Committee, the Tennessee Department of Labor testified on pending legislation that will drastically change executive-only appointments to the Unemployment Compensation Claims Board. A recent Comptroller audit found the board appointed solely by the executive branch had made significant errors and recommended changes to the board to ensure it operates in the most efficient and fair manner. The state Department of Labor introduced legislation this session that will correct these errors. The current board composition is appointed solely by the executive branch, but pending legislation will bring operations of the board under the administrative and legal department of the Department of Labor.

House Debates Traffic Camera for Hours and Hours...

The debate has continued for some time on the issue of local traffic cameras. Local officials argue the cameras are essential to understaffed law enforcement agencies to catch traffic violators. Many legislators oppose the cameras, believing they entrap citizens and are nothing more than a “fee generator” for local governments. Legislators debated this issue on Monday night and Thursday morning for a total of 3.5 hours. Then the house adopted an amendment by Rep. Joe McCord, R-Maryville, that would require local governments adopt cameras by local ordinance and would limit court costs, as well. After passage the bill will be sent to the Senate for concurrence.

Vote Scheduled Next Week on Business Supported TNInvestco Legislation

Next week both the House and Senate have scheduled for consideration important business supported legislation that seeks to expand the TN INVESTCO legislation. [HB 2927](#), sponsored by Sen. Doug Overbey (R-Maryville) and Rep. Charles Sargent (R-Franklin), is supported by the Tennessee Department of Economic and Community Development and the Tennessee Department of Revenue. The bill will expand the current TNInvestco program to additional firms providing much needed capital funding to Tennessee based businesses. To learn more about the program, click [here](#).

“English Only” Attempt Curtailed in House

This week Rep. Stacy Campfield (R-Knoxville) attempted to amend an unrelated bill in the full House to require English-only drivers license bill. An earlier attempt had failed previously in the House Finance Budget Subcommittee. The amendment brought by Campfield had not been supported by business groups who fought its adoption. The amendment was tabled on a 51-40 vote. Members of the House arguing against the amendment expressed concern the legislation would put Tennessee at a disadvantage when recruiting international business.

URGENT UPDATE: Attorney General Opines in Favor of Groups Submissions for Regulatory Board Appointments

This week Attorney General Bob Cooper ruled in an opinion requested by Senator Bo Watson that state law is indeed constitutional allowing groups to submit appointments that the Governor shall choose. The Senate Government Operations Committee has

approved legislation pushed by Chairman Watson with amendments that remove “shall” to “may” provisions in state law on the Air Pollution control board, which is crucial to industry regulation in the state. Chairman Watson and other members of the Committee had argued the change was necessary due to the constitutional issue of the statute. This recent opinion by AG Cooper notes this is not an issue.

There are concerns that unqualified persons with little knowledge of air pollution policy could be appointed to the board, which would be very damaging to all businesses across the state that rely heavily on fair-and-balanced and technically sound regulations. Republican legislators on the committee have led the push for the changes. SB 2949 may be before the full Senate this week, it is crucial to contact members of the [State Senate](#) and Senators Bo Watson (R-Hixson) Sen. Dewayne Bunch (R-Cleveland) Sen. Brian Kelsey (R-Germantown) and Sen. Jack Johnson (R-Franklin) to let them know your opinions on the bill as passed by the committee.

Legislative Activity for Week of May 24, 2010

SENATE ACTIVITY

FLOOR SESSION

MONDAY, MAY 24, 2010 – 1:00 PM

***SB 3901 by *Kyle (HB 3787 by *Turner M) - [Status](#)**

As introduced, modifies various tax provisions concerning video programming services, telecommunications services, sales of property for use in business of selling, and determination of net earnings for real estate investment trusts. **This is the Administration Technical Corrections bill. As it left the Senate FWM Committee, it had been amended; however, it will very likely be further amended on the Senate floor.**

To check the current amendments, please check [here](#).

***SB 2809 by *Norris (HB 3259 by *McCord, et al.) - [Status](#)**

As introduced, gives priority to perfected purchase-money security interests over any taxes assessed by the state, a county, or municipality, taxing district, or other local governmental entity.

SB 3049 by *Overbey, Kelsey, Kyle (*HB 2927 by *Sargent, McCormick) - [Status](#)

As introduced, increases from 15 percent to 25 percent the maximum voting interest an insurance company can have in a TNInvestco.

***SB 3874 by *Kyle, Barnes (HB 3789 by *Curtiss, Turner M) - [Status](#)**

As introduced, removes provisions regarding board of review and revises procedures governing review of claims.

FINANCE, WAYS & MEANS COMMITTEE
No calendar currently available. Check [here](#) for latest calendar.

HOUSE ACTIVITY
FLOOR SESSION

MONDAY, MAY 24, 2010 – TBD

(Check this site for [official Calendar](#), when available)

Committee calendars were not available at the time of publication. We encourage you to visit www.capitol.tn.us to view Senate and House calendars as well as streaming video as committees are hearing bills with limited notice.

Published in cooperation with the Tennessee Chamber of Commerce & Industry

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